

THIS LEASE AMENDMENT (this "Amendment") made as of the 17th day of May, 1991, between BATTERY PARK CITY AUTHORITY ("Landlord"), a body corporate and politic constituting a public benefit corporation of the State of New York, having an office at One World Financial Center, New York, New York 10281 and BATTERY PLACE ASSOCIATES ("Tenant"), a New York general partnership having an office at c/o Milstein Properties, 1271 Avenue of the Americas, New York, New York 10020.

W I T N E S S E T H :

WHEREAS, Landlord and Tenant are parties to an Agreement of Lease dated as of March 12, 1987, a Memorandum of which, bearing even date therewith, was recorded in the Office of the City Register, New York County on February 29, 1988 in Reel 1371 at page 0166, as amended by letter agreements dated May 24, 1988 and June 6, 1989, respectively (collectively, the "Lease") covering the premises more particularly described in Exhibit A hereto; and

WHEREAS, the Lease provided, in part, that in the event Tenant submitted its leasehold estate in the Premises (as such term is defined in the Lease) to either a cooperative or condominium form of ownership, Tenant would be obligated to pay to Landlord a Transaction Payment (as such term is defined in the Lease) in the amount, at the time and in the manner therein provided; and

WHEREAS, the Lease further provided, in part, that in the event Tenant shall not have submitted its leasehold estate in the Premises to cooperative or condominium ownership, Tenant would be obligated to pay to Landlord a Substitute Transaction Payment (as such term is defined in the Lease) in the amount, at the time and in the manner therein provided; and

WHEREAS, Tenant is desirous of submitting its leasehold estate in the Premises to condominium ownership and, in connection therewith, has requested certain amendments to the Lease, hereinafter more particularly described; and

WHEREAS, Landlord is willing to so amend the Lease.

NOW, THEREFORE, for good and valuable consideration, the parties hereto hereby agree that the Lease is hereby amended in the following respects:

1. The first sentence of Section 3.05(b) is hereby deleted in its entirety and the following new sentence

substituted therefor: "Except as hereinafter provided, the Transaction Payment, together with interest thereon as hereinafter provided, shall be paid in full on June 30, 1991, provided, however, if Landlord shall have received on account of the Transaction Payment at least \$3,000,000 in the aggregate (exclusive of interest) and no Default shall have occurred and be continuing under this Lease on June 30, 1991, then except as hereinafter provided, the balance of the Transaction Payment, together with interest thereon as hereinafter provided, shall be paid in full on September 30, 1991, provided, however, if Landlord shall have received on account of the Transaction Payment at least \$6,000,000 in the aggregate (exclusive of interest) and no Default shall have occurred and be continuing under this Lease on September 30, 1991, then except as hereinafter provided, the balance of the Transaction Payment, together with interest thereon as hereinafter provided, shall be paid in full on the fifth anniversary of the Commencement Date."

2. Section 3.05(b) is further amended by inserting at the end of the first sentence in said section a new sentence to read as follows: "In addition to the payments on account of the Transaction Payment together with interest thereon as herein provided required to be paid by Tenant hereunder, Tenant may, at its option, pay the Transaction Payment or portions thereof together with such interest from time to time prior to the date or dates the Transaction Payment together with interest thereon as herein provided is so required to be paid hereunder."

3. Section 3.05(b) is further amended by inserting at the end of subparagraph (ii) thereof a new subparagraph, "subparagraph (iii)", to read as follows:

"(iii) All Net Sales Proceeds received subsequent to the expiration of the Marketing Period shall be distributed by check subject to collection immediately upon receipt by Tenant as follows:

(A) First, Tenant shall pay to Landlord on account of the Transaction Payment one hundred percent (100%) of the Net Sales Proceeds until Landlord shall have received an amount equal to the Transaction Payment and all accrued interest thereon, such Net Sales Proceeds to be applied first to accrued and unpaid interest on the Transaction Payment at the rate hereinafter provided and thereafter to the Transaction Payment; and

(B) Thereafter, the Net Sales Proceeds shall be distributed in accordance with the provisions of Section 3.09 hereof."

4. Section 3.05(c) is hereby amended by inserting at the end of subparagraph (v) thereof a new subparagraph, "subparagraph (vi)", to read as follows:

"(vi) If made subsequent to the fourth anniversary of the Commencement Date, the Transaction Payment shall be in the amount of \$13,966,112, together with interest accruing on the unpaid amount of the Transaction Payment from time to time from and after the fourth anniversary of the Commencement Date at the rate of seven and one-half (7.5%) percent per annum."

5. The third sentence of Section 3.06(a) is hereby amended by deleting the word "and" between the words "hereof" and "thirty" and substituting a comma "," therefor and inserting at the end of said sentence the phrase "and on or before March 12, 1991, to \$14,315,264."

6. The first sentence of Section 3.08(a), in clause (ii) thereof, is hereby amended by deleting from said clause the phrase "the fourth anniversary of the Commencement Date" and substituting therefor the phrase "June 30, 1991, subject to Tenant's right to extend such date to September 30, 1991, subject to Tenant's right to further extend such date to March 12, 1992."

7. Section 3.08(a) is further amended by inserting at the end of subparagraph (v) thereof a new subparagraph, "subparagraph (vi)", to read as follows:

"(vi) In the event the Substitute Transaction Payment Date shall occur subsequent to the fourth anniversary of the Commencement Date, the Substitute Transaction Payment shall be in the amount of \$13,966,112, together with interest accruing on the unpaid amount of the Substitute Transaction Payment from time to time from and after the fourth anniversary of the Commencement Date at the rate of seven and one-half (7.5%) percent per annum, such Substitute Transaction Payment and interest to be payable as herein provided. In the event Tenant shall not have submitted its leasehold estate in the Premises to cooperative or condominium ownership by June 30, 1991, Tenant shall have the right to extend the date set forth in Section 3.08(a)(ii) for such

submission by Tenant from June 30, 1991 to September 30, 1991 by payment to Landlord, on account of the Substitute Transaction Payment, of \$3,000,000 plus interest on the Substitute Transaction Payment for the period from March 12, 1991 to and including June 30, 1991 at the rate as aforesaid, such payment to be made on June 30, 1991. In the event such submission by Tenant shall not have occurred by September 30, 1991, provided Tenant shall have made the payment required to be made by Tenant on June 30, 1991, Tenant shall have the right to further extend the date set forth in Section 3.08(a)(ii) for such submission by Tenant from September 30, 1991 to March 12, 1992 by payment to Landlord, on account of the Substitute Transaction Payment, of an additional \$3,000,000 plus interest on the balance of the Substitute Transaction Payment for the period from July 1, 1991 to and including September 30, 1991 at the rate as aforesaid, such payment to be made on September 30, 1991."

8. Section 3.08(c) is hereby amended by inserting between the words "Payment" and "Tenant" the phrase "or any portion thereof, (x) if the Substitute Transaction Payment together with interest thereon as herein provided shall have been paid in full" and inserting at the end of said Section 3.08(c) the phrase "and (y) if the Substitute Transaction Payment together with such interest shall have been paid in part, the Transaction Payment (and interest thereon) required to be paid by Tenant pursuant to Section 3.05 hereof shall be reduced by an amount equal to the portion of the Substitute Transaction Payment (and interest thereon) paid by Tenant hereunder."

9. Article 42 is hereby amended in the following respects:

- (a) The definition of "Initial Unit Transfers" contained in Section 42.01 is hereby amended by deleting therefrom "thirty-five percent (35%)" in clause (i) thereof and substituting therefor "fifteen percent (15%)".
- (b) The definition of "Letter of Credit Amount" contained in Section 42.01 is hereby amended by deleting therefrom the figure "\$1,135,890" in clause (i) thereof and substituting therefor "\$2,905,592.30".
- (c) The first sentence of subparagraph (iv) of Section 42.03(c) is hereby amended by (x)

deleting from the third line thereof the figure "35%" and substituting therefor the figure "20%" and (y) inserting the phrase "not less than fifteen percent (15%) of" in clause (z) between the words "of" and "such".

(d) Section 42.04(c) is hereby amended by deleting therefrom "35%" and substituting therefor "15%".

(e) Section 42.05(a) is hereby amended by inserting the following sentence at the end of said Section: "Notwithstanding anything herein contained to the contrary, the requirement of Sponsor to deliver the Condominium Letter of Credit shall be deemed satisfied by the retention by Landlord of the Construction Period Letter of Credit, which Construction Period Letter of Credit shall secure the obligations of Tenant under Section 11.12 hereof and Tenant and each Unit Owner under this subparagraph 42.05(a)."

(f) Section 42.05(d) is hereby amended by deleting from clause (ii) thereof in the third line the word "Substantial".

10. The last sentence of Section 11.12 is hereby deleted in its entirety.

11. Section 11.13 is hereby amended by inserting the following sentence as the next to last sentence in said Section:

"In the event Landlord shall have so presented the Construction Period Letter of Credit as aforesaid, in addition to the rights and remedies provided to Landlord hereunder, Tenant shall, within ten (10) days after notice from Landlord, deliver to Landlord an irrevocable letter of credit in the same amount as, and containing terms and conditions identical to, the one presented by Landlord, and thereupon Landlord shall pay the unapplied balance to Tenant and the Event of Default with respect to which the security was applied shall be deemed cured."

12. Section 11.13 is further amended by inserting at the beginning of the last sentence in said Section the phrase "Except as otherwise specifically provided in Article 42 hereof," and deleting from said sentence the word "Unless" and substituting therefor the word "unless".

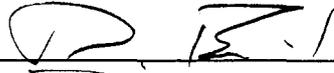
13. The provisions of this Amendment shall be incorporated in an amendment to the Condominium Plan (as such

term is defined in the Lease), which amendment shall comply with the provisions of Article 42 of the Lease.

14. Except as herein amended, the terms and provisions of the Lease, in all other respects, shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

BATTERY PARK CITY AUTHORITY

By: 
Its: President

BATTERY PLACE ASSOCIATES

By: 
A General Partner

2667q

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this 17th day of May, 1991, before me personally appeared Howard P. Milstein, to me known, who, being by me duly sworn, did depose and say that he resides at One Lincoln Plaza, New York, New York, that he is a partner in the New York partnership known as Battery Place Associates, the partnership described in and which executed the foregoing instrument and acknowledged that he executed the same.

CYNTHIA TOPFER
Notary Public, State of New York
No. 41-485454
Qualified in New York County
Commission Expires April 7, 1992

Cynthia Topfer
Notary Public

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this 23rd day of May, 1991, before me personally came David Emil, to me known, who, being by me duly sworn, did depose and say that he resides at 67 Riverside Drive, N.Y. 10014 New York, New York, that he is the President of the Battery Park City Authority, the public benefit corporation described in and which executed the foregoing instrument; ~~that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the~~ members of said corporation; and that he signed his name thereto by like order.

executed

[Signature]
Notary Public

LOUIS MAZUR
NOTARY PUBLIC, State of New York
No. 02MA4805456
Qualified in Nassau County
Commission Expires May 30, 1992